FOREIGN AGRICULTURE

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Harvesting oranges, Union of South Africa.

Can Turkey Compete in Wheat and Cotton?

Latin America Increases Trade With Japan

Grain Sorghums—Big Crop, Big Problem

UNITED STATES DEPARTMENT OF AGRICULTURE • FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

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To report and interpret world agricultural developments.

Will Exports Help?

We recommend for your reading the short article on page 9, with its provocative title, "Grain Sorghums, a Big Crop, a Big Problem—Will Exports Help?"

The explosive increase in U.S. production of grain sorghums is symbolic of what is happening throughout American agriculture.

Techniques known only in the laboratory or experiment station before the war are now in general use. Farmers use nearly 3 times as much machinery and equipment as in 1940; the horse and mule have almost disappeared from their farms. Today's farm worker produces as much in 1 hour as he did in 2 hours in 1940, in 3 hours in 1910. Every major group of commodities has benefited, especially oil crops, grains, and cotton.

Such progress has brought a farm capacity to produce far larger than U.S. consumers alone require. Efforts are being made to expand domestic use, but shipments to foreign consumers provide an outlet for current surplus production and some reduction in previously accumulated stocks. As the grain sorghums article says, ways are being sought whereby such crops can help meet the world's need for feed and food.

Cover Photograph

Transvaal workers harvest bumper orange crop. South African fruit competes with U.S. fruit in European markets. Story on Page 19.

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Courtesy Turkish Information Office

Harvesting wheat on the Anatolian Plateau. After World War II, Turkey launched a vast mechanization program.

Is Turkey a Competitor Of the United States In Farm Exports?

In the early 1950's it was believed that Turkey had become a competitor of the United States in wheat and cotton. Now there is some doubt. To study the situation, Dr. West recently visited Turkey. In the following article he points out why the answer is "No."

By QUENTIN M. WEST

Africa and Middle East Analysis Branch
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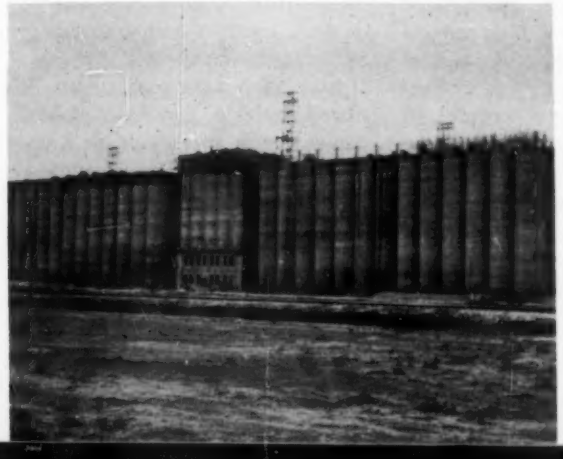
TURKEY'S TRADITIONAL farm exports have always been oriental tobacco, dried fruits, nuts, mohair, carpet wool, and opium. But following World War II, Turkey embarked on an agricultural development program which emphasized greater production and export of both wheat and cotton. By 1953 these commodities had become Turkey's most important exports, and Turkey the world's sixth leading exporter of these commodities. Yet every year since 1954 Turkey has imported substantial quantities of wheat from the United States, and cotton exports have fallen off to less than a third of their 1953 volume.

Is this decline purely temporary? Can Turkey hope to regain its place as an important exporter of wheat and cotton?

To attempt to answer these questions means going back a ways in Turkey's history. When the Turkish Republic

Right, after bumper crop of 1953, grain had to be dumped on ground. The next year large silos were started like the one at Konya, *below*, with 60,000-ton capacity.

Photo by Quentin M. West



Courtesy of State Department

was established in 1923, economic conditions had stagnated under the rule of the Ottoman Empire. Agricultural practices, especially on the Anatolian Plateau, had changed very little in the last 1,000 years—though on the coastal area some development had taken place in the production of tobacco, cotton, and dried fruits. Turkey's new president, Kemal Ataturk, launched reforms designed to free the Turks from the Ottoman heritage, and his new approach was based on Western examples. An ambitious economic development program was started, but industrial expansion was stressed.

Nevertheless, between 1927 and 1944 substantial agricultural progress was made. A few programs to improve production were sponsored. Farmers' cooperatives were organized to improve marketing of certain farm products. Several experimental stations and agricultural schools were opened. Twenty government farms were established. A program of mechanization was initiated and a few tractors were imported. During this period, wheat production reportedly increased 93 percent, cotton 203 percent, and corn 91 percent. Gains might have been even greater had it not been for the depression of the 1930's and the war.

Postwar Expansion

The first big push came after World War II. Ready to embark on a program of agricultural expansion, Turkey had somewhat better prospects than many underdeveloped countries of the world. Per capita gross national product was $180, the highest in the Middle East. The population, estimated at 20 million, was increasing at a rate of 2.5 percent because of improved health and living conditions. Although 78 percent of the population was engaged in farming, land resources were abundant, with many areas relatively undeveloped. A high percentage of the agricultural land was owned and operated by small farmers or held in common by the villages, and the amount per person totaled 6½ acres, compared with ½ acre in Asia.

This same period marked the rise to power of Turkey's Democratic Party, with a platform of increasing agricultural production and exports, raising farm prices, and improving rural conditions. Then in 1948 U.S. aid provided Turkey with investment capital enabling the government to move ahead with these programs.

To accomplish the most in the shortest time the Turkish Government decided to expand grain production, particularly wheat, in the Anatolian Plateau. A vast mechanization scheme was begun. By 1953 nearly 40,000 tractors and other equipment had been imported, most of this designated for the wheat-growing areas of the Central Plateau. Basic grain support prices were raised, and the number of government buying stations was increased. Roads were built, marketing facilities improved, and credit for land improvement and machinery liberalized.

Other crops were encouraged too, as well as industries processing agricultural products. Cotton production expanded, largely because of high world prices during the Korean War, but also because of increased mechanization, better marketing, some irrigation and drainage, and malaria control. The textile industry grew from 242,000 spindles in 1949 to 685,000 in 1957. The sugar beet industry expanded from four plants in 1948, with a production of 107,000 short tons of sugar, to 15 plants, with a production of 305,000 tons in 1956.

Turkey's Peak Year

This huge development program brought almost 15 million acres of additional land under cultivation. Between 1947 and 1953 the wheat area increased 53 percent, barley 35 percent, and cotton 194 percent. This increased acreage, coupled with better-than-normal weather, forced production to a peak in 1953. The agricultural production index reached 190 compared with prewar.

With these bounteous harvests Turkey increased its exports greatly. That same year, 1953, saw farm exports mount to $334 million, 145 percent above the 1946 level. Grains and cotton showed the greatest increase; 36 million bushels of wheat from the 1953 harvest and 444,000 bales of cotton from the 1952 crop were exported.

Then, in the short span of a single year, Turkey shifted from a big exporter of grain to a sizable importer. Ever since 1953, less favorable weather has reduced Turkey's grain production so that Turkey has continued to import grain. Cotton production too has suffered. Reduced world prices and higher production costs caused Turkey's cotton crop to level off. And by 1956, cotton exports had fallen off 65 percent as a result of expanded domestic use.

For Turkey this was a bad blow. Farm exports, particularly wheat and cotton, were to finance the country's economic development program. These exports were to earn increasing amounts of foreign exchange *each* and *every* year between 1953-59. In fact, agricultural exports were projected to reach $535 million by 1959 compared to the $334 million for 1953.

Goals Too High

In view of what happened, one naturally asks "Was Turkey overoptimistic?" And the answer must be "Yes." In setting up these goals, the government failed to give proper consideration to the highly variable nature of production on the semiarid Central Plateau, where drought can be expected at least 1 year in 5. Export projections were based on the level of production in a year with highly favorable weather—which also occurs only about once every 5 years.

Secondly, Turkey's agricultural expansion program showed a lack of balance. Such traditional foreign-exchange earners as tobacco, dried fruits, and nuts received only incidental attention. Despite this, these crops continued to expand slowly. In 1956, exports of dried fruits and nuts were the best in Turkey's history, and tobacco exports were just below their previous record. But livestock, which for generations has been the Anatolian farmers' best source of cash income, was reduced by the plowing up of one-sixth of the pasture land.

As a result of this drop in farm exports—chiefly wheat and cotton—Turkey, during the past 3 years, has found itself in a difficult economic position, with an unfavorable balance of trade—$185 million in 1955. At the same time, investment has continued in industry, transportation, public works, electric power projects, and agriculture—all of which require large quantities of imports. Today Turkey's

Photos courtesy of State Department

Seydan Dam, built for flood control and hydroelectric power, may eventually irrigate 100,000 acres of cotton.

Cotton gin near Tarsus. Improved roads now make it possible to move cotton by truck from field to plant.

foreign debt has reached $400 million. And while the Turkish lira has been maintained officially at 2.80 to the dollar, it has fallen to one-third or one-fourth that value on the free market.

Furthermore, Turkey is suffering from a shortage of consumer goods and high prices. The high level of investment has increased incomes, especially in urban areas, and this, along with a liberal credit policy, has created an excessive pressure of demand. This demand cannot be met since both agriculture and industry failed to reach anticipated levels.

Current Measures

To help remedy this situation the Turkish Government has taken measures to further encourage agricultural production and export. Support prices are maintained for grains, cotton, tobacco, raisins, figs, hazel nuts, and sugar beets; and export subsidies are allowed on almost all exports except tobacco, nuts, mohair, and—to certain countries—figs.

At the same time, the government has discouraged imports by imposing a 40-percent import tax. Measures to control bank credit were instituted in 1956. Retail prices were placed under government regulation. And a ministerial committee was empowered to allocate investment funds in order to supervise more closely the utilization of Turkey's scarce resources.

Yet in spite of these measures, Turkey will face serious economic problems in the immediate future. Wheat and cotton will not produce the wanted foreign exchange. Wheat production, on the average, will only supply increased domestic consumption and will not expand.

Much of the new wheat area is being abandoned because of severe erosion. Also, there is pressure to improve the livestock industry and restore some communal pastures. Turkey's tractors, now 4 to 8 years old, need replacements and spare parts, costly and difficult to obtain. And even if yields increase through improved practices, the gain will probably no more than equal population increase. So Turkey's wheat area will probably stabilize at about 16 million acres, with production averaging 220 million bushels during the next 5 years. Since Turkey's figures appear to have been inflated somewhat since 1950, this is below current reported production.

Barley production should average about 115 million bushels; and until the livestock-feeding program gets under way, there will be an exportable surplus of 4.5 million to 7.0 million bushels of barley in good years. Sold on the European market, this would compete with U.S. feed grains.

An optimistic estimate for cotton acreage during the next 5 years would place it at about 1.5 million acres, with production at around 645,000 bales. But since Turkey's textile industry is expanding, the domestic textile capacity will soon exceed the present cotton-production level.

Not Real Competitor

Thus, it becomes apparent that Turkey is not a real competitor of the United States in the international wheat and cotton markets. There will be years when Turkey will produce a surplus of wheat, but there will be years of shortages. A reserve storage program would smooth out most of this variation; however, the foreign exchange shortage will be a strong inducement for Turkey to export wheat in surplus years and import when there is shortage. Turkish soft wheat should find a ready market in Western Europe, in payment for goods obtained there, and consequently would compete with U.S. wheat. And while the United States will undoubtedly be the principal supplier of wheat imports, these will probably be on an emergency basis, under U.S. government programs as long as they are in effect.

As for cotton, the small amount now being shipped is not of the best quality; and within a few years Turkey may be out of the cotton market.

U. S. Maryland Tobacco Maintains Strong Position in Foreign Trade

Maryland tobacco is a bright spot in the U.S. tobacco export picture. Sales of other U.S. types have slowed, despite record world tobacco consumption. But sales of Maryland have reached new highs.

Maryland exports rocked along at an average 7.6 million pounds in 1950-55. In 1956, however, they jumped to 12.1 million—the highest level since 1927. In the first 6 months of 1957 they reached 6.4 million.

Several factors combined to produce this significant rise. One is competitive pricing, at a time when consumption of blends using Maryland is on the upturn; another, improved dollar holdings in several importing countries; a third, sales for foreign currencies.

Maryland tobacco is no newcomer to export success. In the colony's earliest days, tobacco exports supported the economy; and the light air-cured leaf now known as Type 32 has enjoyed steady demand in the export market ever since it was developed. In fact, Maryland tobacco was still considered primarily an export type as late as 1929. Later, domestic manufacturers became aware of its blending qualities.

The major export market for Maryland tobacco is Switzerland. In that country, tobacco buyers maintain, cigarettes made with Maryland have a special flavor—perhaps in combination with the mountain air and the local wines and cookery. The Swiss economy is booming, and there is no other source of quality Maryland leaf. They will probably use about 6 million pounds of U.S. Maryland during 1957.

Second only to Switzerland as an importer of Maryland is West Germany, with 1.7 million pounds in 1956 and 1.2 million in the first half of 1957, as against only 154,000 in 1951. The growth of this market reflects both the rise in German tobacco consumption and the advantages of Type 32 leaf in blending qualities and price.

Portugal, a new market, took 500,000 pounds in the first 6 months of 1957. Here, where manufacturing margins are small, Maryland leaf has recently been an attractive buy.

The importance of France as a market for Maryland tobacco goes back to Colonial days. Since early in the 30's production in French Africa has taken most of this market. But in the first 6 months of 1957, France bought as much U.S. Type 32 as in 1955 and 1956 together.

Other countries, including the Netherlands and Belgium, continue to use Maryland leaf in many established brands. In these markets, as in Portugal, the recent competitive price of Maryland, plus its high yield per weight unit, has helped maintain sales.

Austria, a relatively small market in the past, appears a promising one for the future. In 1955, it took 353,000 pounds of Maryland, and it was probably the final destination of the 751,000 pounds sent to Trieste in 1956.

Top-quality Type 32 grows only in the five southern counties of Maryland, and has no competitors. Leaf from Maryland seed does grow elsewhere, i. e., in Italy and Madagascar.

Strongest competition for medium-grade Maryland comes from relatively neutral sun-cured and air-cured tobaccos in which the Maryland taste can be simulated. These tobaccos, with small amounts of very flavorful leaf added, have been used in the past to satisfy a preference for Type 32. And current marketing experiments are using special sauces and flavorings to copy the special Maryland flavor.

This raises a major problem for U.S. exporters. Many of the countries producing these substitutable tobaccos make ideal trading partners for West Europe. With little industrial development of their own, they are good markets for manufactured products; and their tobacco exports stimulate the bilateral flow of trade.

Still, the outlook for export sales of Maryland is favorable. Exports may vary because of price and supply changes, but new and expanding markets promise increased foreign demand.

Latin America Talks Of Common Market

The Latin American Republics are considering the possibility of establishing an inter-American common market. This question was discussed at the recent Economic Conference of the Organization of American States, Buenos Aires, and while no agreement was reached, several proposals were made.

One suggestion put forward envisaged a single market for the American Republics, including the United States. A second proposed a common market for just the Latin American Republics, omitting the United States. A third recommended the creation of several regional markets in the Western Hemisphere, each involving a number of adjacent countries.

Latin American trade has not kept pace with that of the rest of the world during the postwar years. And now with the European Common Market in the process of being formed, the Latin American Governments are concerned lest their trade be further impeded. Moreover, it is maintained that the economic growth of Latin America depends upon the volume and pattern of trade throughout the region, as well as on mobility of capital, labor, goods, and services.

A Latin American common market —or markets—would, so the various governments believe, result in broader utilization of production and resources. At present, some Latin American countries are too dependent upon a limited group of commodities for their foreign exchange earning capacity. Any violent fluctuation in the prices of these commodities could be disastrous to the economy of the countries concerned. Likewise, the industrial activities of these countries are limited to their own national markets; and this results in industrial stagnation.

Liberalized inter-regional trade would have the great advantage of low transportation costs, in contrast to the high cost of shipping goods to Europe and other parts of the world. It would permit supervision of distribution channels in nearby markets, and would enable producers to gain first-hand knowledge of consumer desires.

Latin America Increases Its Trade With Japan

By KATHRYN H. WYLIE
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TRADE BETWEEN Latin America and Japan has risen sharply since 1950 and is today many times greater than before World War II. This may pose an increasing problem for U.S. exporters. So far, more goods move from Latin America to Japan than vice versa, but the Japanese exports that finance this trade are growing.

Latin America represents an expanding proportion of Japan's total trade. In 1954, for example, it accounted for 15 percent of Japan's imports and 12 percent of its exports, compared with 7 and 5 percent in 1950.

Latin America sends raw materials for Japan's expanding industry, and Japan in turn ships to Latin America trucks, buses, machinery, and other heavy goods, as well as some fish. The principal trade item is cotton—the bulk of it exported from Mexico and Brazil, with increasing amounts from the Central American Republics—followed by sugar and wool. Cuba, Brazil, and Peru supply sugar; Argentina and Uruguay, wool. Argentina also sells wheat, quebracho extract, and in some years, corn.

Japan has become the first market for Latin America's cotton. In 1955-56 it received more than a third of Mexico's total cotton exports—600,000 bales—and more than a fifth of Brazil's 181,000 bales. Japan is also the principal outlet for Brazil's brown sugar and soybeans.

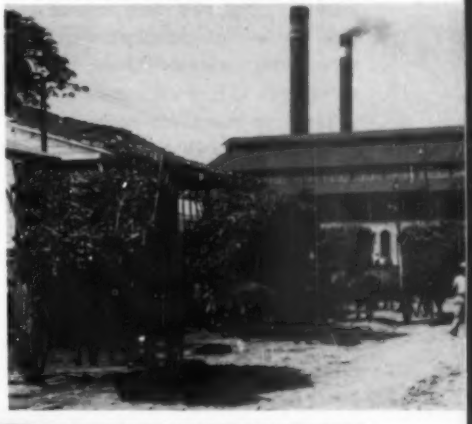
The growing strength of this two-way trade movement is a challenge to U.S. farmers and exporters. Japan has been our No. 1 agricultural market each year from 1952 to 1955, and was second only to the United Kingdom in 1956. Before the war, we supplied 15 percent of Japan's principal farm imports. Just after the war, our percentage rose sharply, and later it declined; but even so, in 1956 it still stood at 26.8 percent of the total. Latin America, however, furnished only just over 2 percent of Japan's competitive farm imports before the war. But since the war that percentage has risen almost without a halt; in 1956 it was close to 20 percent.

By far the most important area of competition is in cotton. That fiber is our principal export to Japan, and Japan is our best market for it, taking 25 percent of our total cotton exports in 1956. Before the war the United States supplied more than one-third of all Japanese cotton imports; Latin America, only 6.4 percent. However, Latin America expanded its sales steadily, and in 1954 overtook the United States as a supplier. Our markedly bigger sales in 1956-57 resulted partly from cotton's competitive price.

For the Japanese wheat market, Argentina was a significant competitor in 1950 and 1954, though much less important in the past 2 years. About 9 percent of our wheat exports went to Japan in 1956, so increased competition in that market could be serious. For soybeans, the United States is Japan's principal supplier; and although most of Brazil's soybean exports go to Japan, the quantity is small in comparison. For vegetable oils, on the other hand, Mexico and Central America in most years are larger suppliers than the United States. For corn, too, Argentina was a larger source than the United States in 1954 and about a fourth as large in 1956.

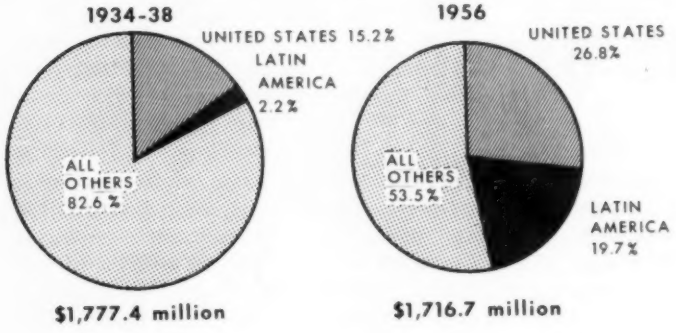
There is little likelihood that Japan can enlarge its farm output much above current levels. Already it has 91 million people on its 91 million acres of land. Even though its farmers are efficient, the country must import 20 percent of its food needs. With population growing at about a million persons a year, we can expect that agricultural imports will continue to increase. We can expect too that Japan

Courtesy Cuban Sugar Stabilization Institute



Right, **Cuban sugar mill;** ***below,*** **Brazilian cotton field. These crops are major Latin American exports to Japan.**

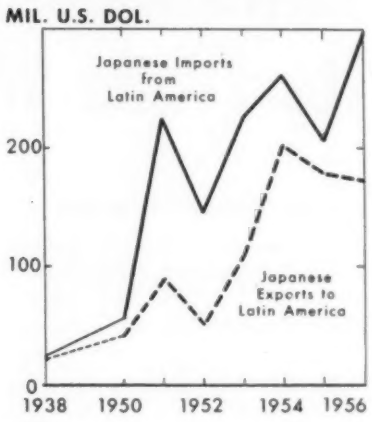
Increase in Latin America's Share of Japan's Competitive Agricultural Imports



*The "Big 9" wheat, rice, barley, corn, soybeans, tallow, hides and skins, cotton, tobacco.

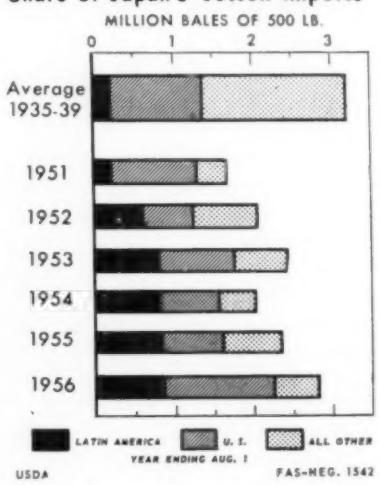
USDA FAS-NEG. 1540

Increase in Latin America's Total Trade with Japan



USDA FAS-NEG. 1541

Increase in Latin America's Share of Japan's Cotton Imports



USDA FAS-NEG. 1542

may seek these imports more and more from countries that buy its products.

Although Japan ships more goods to the United States than it used to, U.S. military expenditures and government loans still furnish half the dollar exchange it needs to pay for imports of U.S. commodities. In the past 2 years part of these imports were paid for in local currency under Public Law 480 agreements for the purchase of surplus U.S. farm products.

Japanese exports to Latin America, however, are rapidly catching up with its imports from the area. Latin America now takes more than a fifth of Japan's total exports of capital goods. And the trade is complementary—products of industry flowing from Japan in exchange for raw materials. As an incentive for expanding this trade, Japan offers many products at lower prices than its competitors charge, and often furnishes technical assistance in the operation of its equipment.

Iron and steel machinery rank high among Japanese exports to Latin America, and transport equipment is gaining in importance—for example, Chile bought several buses in 1957.

Japan's principal markets in Latin America are Argentina, and Brazil; Mexico, Chile, Colombia, and Venezuela are important outlets, too. Latin America is bulking large in Japan's investment portfolio also. According to the *Oriental Economist*, Japanese overseas investments reached roughly $29 million by September 30, 1956, and of this amount $9.7 million was in Latin America. Principal recipient of this capital is probably Brazil, though important projects are also located in Mexico, Colombia, and Peru. Iron and steel, textiles, and fishing enterprises account for the bulk of the total.

Another influence drawing Japan closer to Latin America is Japanese immigration. Already several Japanese colonies have been established, the largest number being in Brazil. Japanese farmers in the Amazon Valley initiated the jute industry there, and production is now close to 30,000 tons. Recently, 47 more families arrived at the Colonia Agrícola de Tome Acu and the Nucleo Colonial do Guama in the Amazon Valley. They plan to cultivate cacao, bananas, rice, and dende oil trees. Japan has expressed its interest in this movement.

Thus, the prospects for continued trade between Latin America and Japan appear good. An expansion above present trade levels, however, depends on many factors, not the least being the direction taken by government policies on both sides.

In Japan, with its chronic balance-of-payments problem, commercial imports are subject to licensing. Food and raw materials receive first priority —and these account for the major Latin American exports to Japan. Most of the trade thus far has moved under bilateral agreements, and this may continue for some time.

The Japanese Government is encouraging increased trade with Latin America by helping finance long-term investment, by providing special training for Japanese who go to Latin America as technicians or immigrants, and by sending trade delegations to the different countries. A measure of Japanese interest is the meeting that Japanese delegates to the American Republics recently held in Rio de Janeiro to discuss trade and immigration problems. All this adds up to the fact that the United States can expect continued competition from Latin America in the Japanese market for farm products.

Will Exports Help?

Grain Sorghums

A BIG CROP - A BIG PROBLEM

THE U.S. GRAIN SORGHUM crop this year is the largest in history.

Three causes have combined to produce this huge crop. Acreage is twice last year's, reflecting a marked shift away from corn and wheat. Weather has been generally favorable, with good moisture for planting and growth and sunshine for harvesting. And new hybrids—higher yielding, easier to harvest by combine—have come into wide use after years of experimentation. The October estimate sets the crop at 514 million bushels—more than double the record of 1955. And this big crop poses a serious problem: what to do with the bountiful supplies.

The U.S. market has not been absorbing all of the big grain sorghum crops of recent years. Over a third of the record 1955 crop and a sixth of the smaller 1956 crop went into government storage under the price support program. Some of this grain has been used in the Emergency Feed Program here at home; some has been exported. The rest is in government stocks: Oct. 1 holdings of old-crop sorghum were 80.6 million bushels.

Before the war, exports of U.S. grain sorghums were almost nil—only 2,000 bushels in 1939. After the war, however, U.S. exports took first place in the world trade. In 1946-55, they averaged nearly 40 million bushels. Even though this average includes three outsized years—1950 with 75 million bushels, 1951 with 72 million, and 1955 with 73 million—it is an indication of the potential market under favorable conditions.

The main condition for big exports of grain sorghums is a favorable price relationship with corn. These two have the highest export popularity of the four big feed grains. At 56 pounds per bushel, both are more economical to ship than barley at 48 and oats at 32. They are close together in feeding value, corn having a slight edge. Most countries that import feed grains have some preference for corn, but accept grain sorghums when there is a price advantage, as there was in the 3 greatest grain sorghum export years. Such a price situation would have to develop again before increased quantities of grain sorghums could move abroad.

Traditional customers for U.S. grain sorghums are the dairying countries of Europe: Belgium-Luxembourg, the Netherlands, the United Kingdom, West Germany, and—in some years—Norway, Denmark, and Eire. Israel has also been a substantial market. In general, world demand for feed grains is a total demand, and somewhat inflexible, unless food grains run short—in which case feed grains may be required for human food—or unless a country is particularly stressing expansion of its livestock industry.

Most European countries already have well-developed livestock industries and high levels of feed intake. Some experts predict that to maintain these levels and yet promote self-sufficiency in wheat, many countries will grow more wheat and import more feed grain. Others, however, say that the natural preference of most farmers for self-sufficiency in feed will result in Europe's growing more feed grain and importing wheat instead.

Some other areas have more recently begun to stress livestock. Several Latin American countries have undertaken livestock improvement programs. The development of Latin America's livestock industries will eventually mean increased needs for feed grain. In the nearer future, however, expanded poultry production offers a better possibility for grain sorghums in such Latin American markets as Mexico, Cuba, Venezuela, and Colombia.

Japan, which is also trying to expand livestock production, has so little farm land to spare that imported feed grain is a must. U.S. sorghums, in plentiful supply and selling at favorable prices, could fit into this need.

Elsewhere, grain sorghums have considerable importance as human food. India, which grows some 8 million tons, consumes about 40 pounds per capita every year; the grain is ground whole and baked into flat unleavened cakes. Pakistan makes a similar use of grain sorghums. Middle Eastern countries grind them into flour, often mixing them with flour from wheat, corn, or barley; Africa consumes them as cereal and also grinds them into bread flour together with millet. All these areas, however, raise their own sorghums. Occasionally, such a country imports sorghums to supplement short supplies of other food grains. Thus in 1950 and 1951—bad rice years—India took several million bushels of U.S. sorghums.

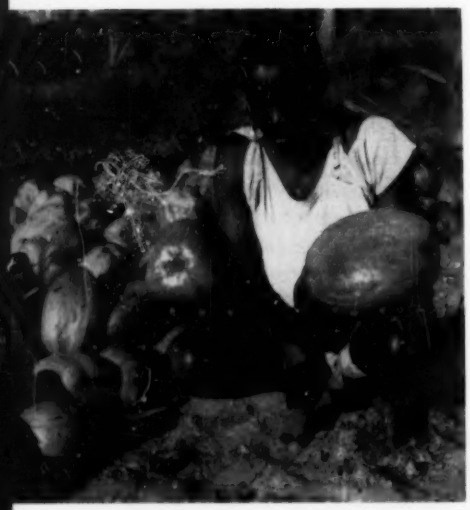
Shipping economy, ready availability, and attractive prices could boost this year's dollar sales of grain sorghums. Other export possibilities include barter, Commodity Credit Corporation "deferred payment" sales, and sales for foreign currencies under Public Law 480. The U.S. Department of Agriculture is exploring ways in which the bountiful U.S. grain sorghum crop can best fit into the world's needs for feed and food.

Author and African porter rest during climb up towering Kilimanjaro.

My First "Safari" To Zanzibar and Tanga

To most Americans a safari means a big game hunt. Mr. Schlubatis' only equipment was a pair of eyes trained to appraise agricultural potential. That he also climbed part way up Kilimanjaro was one of those things that happen to energetic agricultural attachés abroad.

By GORDON R. SCHLUBATIS
U.S. Agricultural Officer, Nairobi



Zanzibar worker selects best and largest coconuts for planting in government nurseries. *Below*, business is brisk in Zanzibar City's copra market.

WHEN I WAS PACKING for a 25-day safari to look over the agriculture in Zanzibar and Tanga Province in Tanganyika, into my suitcase went a snow suit and a bathing suit. I needed both of them. The second day out found me starting a climb that took me into the snows on Kilimanjaro. Several days later in Zanzibar I splashed in the surf of the Indian Ocean.

Climbing Kilimanjaro, of course, was purely incidental. Yet it was a wonderful experience and proved that I had the endurance that will stand me in good stead in my treks through the rugged country of East Africa. Seventy miles of walking in 5 days is more than average for any foreign agricultural officer.

Four friends from the Mission School at Marangu accompanied me. The start of the hard climb lies through the rich "shambas," or farms of the Wachagga tribe, with fine crops of coffee, bananas, and vegetables. Soon we encountered a tangled mass of undergrowth and tall tropical trees hanging heavy with ferns and orchids. Everything was dripping with moisture. Wet and cold, I was ready to retire at the end of the first 10 miles.

By noon the second day we found ourselves in open country. An overcast sky kept the towering peaks of Kibo and Mawenzi hidden until we had reached the hut that night. But the next day we had sunshine and the glory of the snow-covered peaks to inspire us. Thinking of the need I still had for these old bones, I decided that the top of the saddle at 16,000 feet was far enough for me. But I shall never forget the beauty of those mountains, the great altitude, and the long arduous descent of 35 miles in 2 days.

Land of Cloves

Zanzibar was my next destination. Throughout the world Zanzibar spells enchantment, a place to visit in one's dreams. That I was to spend a week on this beautiful island on business did not lessen the thrill.

As you approach the island from the harbor the aroma of cloves—Zanzibar's leading crop—overpowers the usual wharfside odors of fish and seaweed. Picturesque dhows lie at anchor,

Before cloves are dried they are stemmed by hand in the villages.

Photos by Gordon R. Schlubatis

Packed cloves are moved from warehouse to ship by hand-drawn truck. Cloves and coconuts account for 90 percent of Zanzibar's income, with cloves leading.

which come from Oman and India during the monsoon season or from Pemba during the clove-picking season. While looking at this fascinating port I was reminded that the United States was one of the first countries to recognize its commercial importance and had established a consulate there in the early 1800's.

Zanzibar City, with its narrow, twisting streets coming to deadends or breaking up into tiny alleys and tunnels, is a medley of sights, smells, and sounds. Arabs, Indians, and Africans, in unusual and colorful dress, mingle with the few Westerners in the bazaar, where ivory, jewels, silks, oriental rugs, and hammered brass are to be found. In the center stands the cathedral built on the site of the old slave market, where once as many as 20,000 slaves a year were sold.

I had come to see Zanzibar's agriculture—and through the careful planning of E. G. Tidbury, acting director of the Agriculture Department, I was given this opportunity. At the Kizimbani Experiment Station, I saw improvements being made in the culture of cloves, coconuts, cassava, and bananas. About 90 percent of Zanzibar's present income is derived from cloves and coconuts. Fortunately, I was able to see each stage of the clove industry —from the growing through the picking, processing, and marketing. And the same for coconuts.

A visit was also made to the dairy in Zanzibar and to the slaughterhouse. Work is being done to improve dairying; also, efforts are being concentrated on developing new sources of income from limes, chillies, derris (an insecticide), cacao, and pepper.

The week on Zanzibar passed so fast that it was not until I was back in Nairobi that I was able to sift and assemble all the facts I had collected. Then the picture came up something like this:

- The British Protectorate of Zanzibar consists of two islands, Zanzibar and Pemba, with a combined area slightly smaller than that of Rhode Island. About 42 percent of the agricultural land is in tree crops, 10 percent in permanent cultivated land, and 8 percent in permanent pastures and meadows.
- Cloves and clove oil are the most valuable exports accounting for four-fifths of total exports. Most of the cloves come from Pemba. Shortly after World War II, a disease—appropriately called "sudden death"—threatened production. This plague is now being brought under control.
- The only other important do-

(Continued on page 22)

Native cattle on Agricultural Department Ranch on Zanzibar. Government is promoting meat production.

Sisal Research Station in Tanga Province conducts Planter's Day program. Sisal is Province's important crop.

FAO photo by S. Bunnag

Indonesian housewives learn about nutrition at the Dietician School in Pasaminggu. Only hope for better diets in many countries is through such programs.

Poor Diets Still Lot of Half World's People, Claims FAO

INADEQUATE AND unbalanced diets are still the common lot of more than half of the world's population, even though the threat of actual famine has receded. With this statement, the Food and Agriculture Organization of the United Nations, in its recently published "The State of Food and Agriculture 1957," summarizes its review of world food consumption patterns.

Income, FAO points out, is by far the most important determinant of what families eat. Also, one of the most striking conclusions which emerges from the review is the very rapid growth of demand for the more valuable protective foods which results from even a small increase in average incomes.

"This," says the report, "emphasizes the vast potential market for agriculture likely to arise in the underdeveloped regions as their economies are built up. It emphasizes also the vital importance of closely matching the expansion of food supplies to the growth of income if the economy is not to be subjected to serious strains; from inflation if agriculture lags behind the economy as a whole; from a collapse of farm prices, agricultural surpluses and rural depression if production runs ahead of purchasing power."

The study also disclosed that there was a remarkable uniformity of the relationship between income and expenditure on food over a wide range of countries at different levels of income and economic development and with widely varying cultures and food habits.

"This fact re-emphasizes the essential connection between economic development and nutritional improvement. Until productivity is raised and the general run of people in a country earn higher incomes, any substantial improvement in nutrition is unlikely, though some improvement in nutrition as a whole, and major improvement for special groups such as expectant and nursing mothers and children of school and subschool age may be obtained without income changes by, e.g., nutritional education and by special welfare schemes."

Some other FAO observations on food consumption are these:

- International trade accounts for a relatively small part of the world's food supply. Consumption levels after World War II did not rise in most countries until production had again caught up with population.
- In most countries prewar consumption levels have been regained and in a few cases they have even been surpassed.
- In the higher-income countries of Western Europe the ratio of cereals and starchy foods in the total diet is between 30 and 40 percent. Only in the United States, Canada, and New Zealand is it below 30 percent.
- While the increase in per capita milk consumption is encouraging (especially in Western Europe), even more significant is the proportion consumed as liquid milk. Milk distribution programs and education in nutritional practices are thought to be responsible.
- Urbanization is a major factor today in influencing food consumption, and this is most striking in countries where industry is just getting under way.
- The increasing consumption of sugar and various sweetened beverages is assuming such proportions in some countries, especially in the Near East, that little money is left out of meager incomes for more essential foods.

The 1957 FAO report deals largely with the current world agricultural situation. In summarizing the year 1956-57, FAO notes a steady expansion of world agricultural production and trade, and states that since overall stocks of agricultural products have increased relatively little in the past 3 years, some small improvement in consumption levels may be inferred.

A significant feature of the last few years has been the faster rate at which food production has increased in the less developed regions compared with the rest of the world. Preliminary estimates for 1956-57 show a 20-percent rise in net food output as against the average for 1948-52 for the less developed regions and 15 percent for the more developed areas. While most of the difference is offset by the more rapid growth of population in the less developed countries, indications are that these countries have at least held their own. But the distance to be traversed is still so great, the report concludes, that there can be no slackening of the efforts made to raise nutritional levels everywhere in the world.

Left, pasturelands of the Maria Behetey estancia, one of the largest sheep-raising projects in Tierra del Fuego. *Above*, rounding up the estancia's vast flock of Corriedales and Merinos for shearing. *Below*, shearing shed.

Sheep Raising In the "Uttermost Part Of the Earth"

Below the 50th parallel lies Tierra del Fuego—often called the "uttermost part of the earth"—where much of Argentina's finest wool is produced. This high-quality fleece competes with U.S. wool on world markets. And for this reason, Frederick M. Lege, U.S. assistant agricultural attaché in Buenos Aires, last spring visited this far-off land to check on the annual wool clip.

The United States, on the other hand, buys most of its coarse wool from Argentina, and ranks as the country's best wool customer. In 1951 our wool purchases from Argentina totaled approximately 60 million tons, but by 1956 they had mounted to around 105 million tons.

Bales stacked for shipment to Buenos Aires where wool is sold to exporters.

Grading fleece. Grader is often best paid worker in Argentine agriculture.

Fleece moves on belt to separating table where "tags" fall through grill.

Photo by Elton G. Nelson

Henequen is the chief binder twine fiber. Here a Cuban worker takes freshly cleaned, wet fiber to the drying field.

The imperturbable llama of Peru provides wool of special character for blending into fine-quality U.S. fabrics.

Those Vital Minor Imports

U.S. agricultural imports that are small trade-wise, but significant to the U.S. way of life and important dollar earners for the producing countries.

EACH YEAR the United States reaches around the world for countless agricultural products and byproducts that are not considered leading imports. Some of them do not even show up in trade statistics. But these commodities bring in important foreign exchange for the countries which produce them.

For example, Taiwan earns its largest volume of U.S. agricultural dollars from citronella oil; Sweden, from rapeseed oil; French Morocco, from canary seed; and Mozambique, from sisal and henequen.

Included among the second largest earners are the sausage casings of Australia and New Zealand, the cassava of Thailand, and the canned Mandarin oranges of Japan. Other second-place earners are ossein for making gelatin, from Belgium and Luxembourg; hops, from Yugoslavia; pistache nuts, from Afghanistan; pig bristles for fine brushes, from Korea and Russia; copra, from the Philippines; geranium oil, from Algeria; and vanilla beans, from Madagascar.

Spices

For centuries man has used spices and herbs to improve and enhance the flavor of his food and stimulate his appetite. The search for a new route to the spice treasures of India led to the discovery of America.

Today spice trade is big business. In the 1956-57 fiscal year U.S. spice imports were valued at over $29 million.[1] India is still a significant source—supplying nearly half the pepper, most of the ginger root and celery seed, and all the cardamon seed the United States buys. India's 1956 spice exports to the United States included 14.6 million pounds of pepper; 1.2 million of ginger root; 1.3 million of celery seed; 94,000 of cardamon seed; and 618,000 of other spices.

Indonesia, too, is an important source of spices. More than a third of the U.S. requirements of nutmegs—about 1.8 million pounds in 1956—come from this source. Indonesia also supplies all the cassia (Chinese cinnamon)—10 million pounds in 1956—and is the largest U.S. source of mace, a spice which is made from the fibrous covering of nutmegs.

U.S. importers buy vanilla beans from Mexico and Madagascar. Mada-

[1]All figures used in this story are year ending June 30 of year shown.

gascar also ships cloves and clove oil. From Venezuela and the West Indies come tonka beans—the shiny black almond-shaped beans used as a substitute for vanilla.

Capsicum (cayenne) peppers, mustard, paprika, allspice, cinnamon, sage, caraway seed, and others helped swell the 159-million-pound total U.S. spice imports in 1957.

Essential Oils

Some essential oils are used for flavor in cooking, but the primary uses of essential oils are in perfume, cosmetics, and soaps. The bulk of the essential oils that are necessary to provide the variety of fragrances the U.S. consumer demands is bought from Europe, the Far East, Africa, Latin America, and the West Indies.

Particularly interesting is bergamot oil from the rind of the citruslike fruit of the bergamot tree. The entire U.S. supply of bergamot oil—117,000 pounds in 1957—comes from the Calabria district of southern Italy.

Other essential oils important to the United States are lavender from France and Spain; geranium oil, which has a roselike odor, from France, Algeria, and Madagascar; and lignaloe (bois de rose) from Brazil and Peru.

Some essential oils are insect repellents as well as perfume and soap essences. Citronella oil from a grass of Guatemala, Ceylon, Indonesia, and Taiwan is one of these. When applied directly to the body it repels mosquitoes and other insects. The United States imported about 4.2 million pounds of citronella oil this year.

Patchouli, another essential oil which repels insects, has an odor similar to sandalwood and is prized the world over as a protector of woolens and linens from moths and other varmints. Indonesia fills all U.S. needs—140,000 pounds in 1957.

Essential oils accounted for $22.3 million of U.S. imports this year.

Insect Killers

The war on insects is fought effectively with two other imported products—dried powdered pyrethrum flowers from British East Africa and cube root (timbo or barbasco), which yields the powerful insecticide rotenone, from Peru. In 1957 the United States bought 6.2 million pounds of pyrethrum flowers and about 2.8 million pounds of cube root with a total value of about $2.5 million.

Drugs, Herbs, and Roots

A number of drugs, herbs, and roots are important for use in pharmaceuticals. Among these are cinchona bark (quinine), ergot, crude opium (morphine and codeine), licorice root and licorice extract, senna leaves, psyllium seed (laxative), belladonna, ginseng, and stramonium. These alone amounted to $5.3 million of U.S. imports in 1957.

Fibers

Many of the vegetable and animal fibers necessary to U.S. industry must be imported. Hard fibers (abaca, sisal, henequen) are the products of tropical plants and are used for marine cordage, binder twine, sacking, and coarse fabrics. In 1957 the United States bought about 158,000 tons of these fibers. Other vegetable fiber imports include kapok from Asia and Ecuador, for stuffing, and istle (Tampico) from Mexico, for cordage and sacking.

Among the lesser-known animal fibers are the wools of some South American camel-type animals (alpaca, llama, vicuna, and guanaco), whose soft glossy coats boost the quality of U.S. fabrics. During 1957 the United States textile industry bought about 6.2 million pounds of these precious wools at a cost of $7.1 million.

Production of the rarer fibers is very limited. The angora goats of Turkey and South Africa each yield about 3 pounds of mohair fleece annually. Their cousins, the cashmere goats of Iran, India, Turkey, and Outer Mongolia, produce only 2 to 4 ounces of pashm—their fine light-weight undercoat—each year. The total pashm yield of four to six cashmere goats is required to make one sweater and it takes about 40 pounds of fiber for a medium-sized overcoat. Nearly $18 million worth of cashmere goat hair was imported by the United States during 1957.

Hides and Skins

The United States produced over 40 million cattle, calf, and kip skins in 1957 and about 103,000 goat skins.

These Egyptian beehives furnish part of the beeswax that is one of the small but vital U.S. imports.

Nutmegs like these, as well as mace from their fibrous covering, are important in U.S.-Indonesian trade.

These did not fill all specialty needs, particularly for light-weight and extra-large skins. To supplement U.S. production, nearly 124 million pounds of animal hides and skins were bought abroad. The foreign purchases included wild pig and hog; deer, elk, and buck; hair sheep and cabretta; India water and other buffalo; horse, colt, and ass. Many of the lighter skins go into gloves, handbags, inner soles, and linings, while the especially heavy ones

are used for industrial purposes.

The United States bought 691,000 pounds of kangaroo and wallaby skins in 1957, principally for ladies' handbags. Last year U.S. purchases of capybara skins totaled 197,000 pieces. The capybara (carpincho), a native of Latin America and the world's largest rodent, contributes his skin for men's fine gloves.

Other

Also on the U.S. marketing list each year are such things as these:

- Such animal products as edible and inedible gelatin, feathers, ossein, glue stock, bones, hoofs, horns, dried blood, animal wax, and beeswax. Beeswax imports alone amounted to over $2.9 million this year.

- Gutta percha, a latex resembling rubber but containing more resin valued for golf ball covers, electrical insulation, dental plates, galoshes, and numerous other gum products. Jelutong or pontianak, another latex, comes from wild rubber trees of Borneo. It is one part rubber to three parts resin and is used for waterproofing, rubber compounds, and chewing gum.

- Cassava, a farinaceous root, which is an important source of food starch and, when agglutinized, forms tapioca. Sago, a starch prepared from the pith of Malaysian and East Indian palms, is used as a thickening agent in puddings and for stiffening textiles.

- Carnauba wax, a product of the leaves of Brazilian "wax palm" trees. Carnauba wax is a valued ingredient in shoe polish, floor wax, varnish, and candles.

- Seed oils. Tung oil—expressed oil of the tung nut—contains about 53 percent oil and is the most powerful drying oil known. It is used as a substitute for linseed oil and is an excellent waterproofing agent. Rapeseed oil, used for lubrication and imported from Sweden, Canada, and the Netherlands. And sesame seed oil from South America, India, and Egypt. The tiny black and white sesame seeds yield half their weight in oil which will keep for years without becoming rancid. It is blended with olive oil and also is used in cookery, cosmetics, illumination, lubrication, and soap.

Smaller World Cotton Crop Expected in 1957-58

World cotton production is expected to total about 37.3 million bales (500 pounds gross weight) in 1957-58—a drop of 1 million bales from last season and 2.5 million bales below the record high of 1955-56.

Most of this production decrease is attributed to acreage reduction in the United States and to adverse weather in the Soviet Union and China. However, increases in the rest of the non-Communist world, where production is up 0.6 million bales, nearly offset the decline in Communist countries.

Mexico, India, and Egypt show the greatest increases, as a result of expanded acreage and more favorable growing conditions. Prospects are that larger crops also will occur, although on a smaller scale, in Argentina, Colombia, Greece, Syria, Tanganyika, Uganda, and Nigeria. Pakistan's crop is not expected to vary much from last year.

The U.S. 1957 crop of 12.4 million bales, as estimated in October, is down 0.9 million bales from a year earlier. Acreage allotments in 1957 were about the same as in 1956, but an additional 3.0 million acres were removed from cotton production under the acreage reserve program. On the other hand, the highest average yield on record—435 pounds per acre—is expected to be obtained from 13.7 million harvested acres, the smallest acreage since 1878. With this lower 1957 crop, carryover stocks on Aug. 1, 1958, are expected to decline to around 10 million bales, compared with 11.2 million a year earlier.

The decline in the U.S. crop is about equal to the net decline in estimated world production. As a result of this drop, U.S. production for 1957-58 represents about one-third of total world production compared with nearly one-half in the 1945-49 period.

Noteworthy is the increased production of extra long staple cotton. Output for this year is placed at around 1.4 million bales, about 7 percent larger than last year's. Most of this increase is accounted for by the Menoufi variety in Egypt; plantings for this variety were doubled, while Karnak acreage remained the same. Also, the U.S. crop of American Egyptian is expected to reach 92,000 bales, or nearly double that of last year. Production of Sakel cotton in Sudan, and Pima and Karnak in Peru, according to early indications, will probably decline. Asiatic-type short staple cotton should increase around 5 percent.

Will Latin America Be Market for U.S. Beans?

The 185 million people living in Central and South America eat 5 billion pounds of dry edible beans a year—three and one-half times as many as their northern neighbors in the United States. This fact was revealed in a recent survey conducted cooperatively by the U.S. bean trade and the U.S. Department of Agriculture under a P.L. 480 market development program.

The study also showed that Latin America's increasing population will need an additional 100 million pounds of beans a year to maintain its present per capita consumption level. The rapidly expanding market offers possibilities for the United States to introduce U.S. classes of beans where they are little known or completely unknown.

Costa Rica, El Salvador, Panama, Venezuela, Colombia, and Peru are the most likely potential customers for U.S. beans. The United States has already sold and shipped beans to Peru as a direct result of contacts made during the survey, and a campaign to promote them is under way in Lima. The Peruvian buyer owns six supermarkets, where hot bean dishes—prepared according to popular Peruvian recipes—were distributed free for several weeks. Displays, literature, and posters further advertised them. Both the U.S. Government and the bean trade must face several barriers before the United States can get a reasonable share of Latin America's expanding market. Market acceptance must be established in some areas and promoted in others. Several countries have trade restrictions which would have to be altered or removed. Other countries have excessive import duties. And some ocean freight rates would have to be investigated and possibly adjusted.

Collectivized Agriculture In Communist China*

Did the Chinese peasants collectivize voluntarily? And how will this mass movement affect China's agriculture?

By HUGHES H. SPURLOCK
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CHINA'S COMMUNIST REGIME contends that the Chinese peasants joined collectives voluntarily and that the purpose for forming collectives was to increase agricultural production. Facts do not substantiate either of these claims. Nothing could be farther from the truth than the pretense that collectivization was voluntary. Force and fear—physical, psychological, and economic force—supported by all mediums of propaganda were employed in a "stick and carrot" approach designed to herd every peasant into the collective fold.

Since the land reform days the Communists concerned about world public opinion, especially in neighboring countries, have shown a preference for economic and psychological methods. But with the bloody land reform spectacle fresh in the people's mind, no peasant could have any serious doubts as to the state's willingness to use sterner measures if necessary.

Theoretically, the peasants were left free to join or not to join cooperatives. But the economic situation was rigged against the independent peasant so that, as a practical matter, he was left no acceptable alternative if he wanted to purchase supplies, market his products, and avoid being discriminated against in paying taxes. Thus, it was not difficult for the government to create an economic situation where peasants could not operate independently but where the state could still claim that the peasant had a free choice.

While making it clear that opposition would not be tolerated, Communist leaders, at the same time, engaged in a great propaganda effort to convince the peasants that collectivized farming is the only way to build industry, provide for defense, and improve living standards. As a more direct inducement, the peasants were assured that their income would be increased, gradually at first, then more rapidly as productive capacity increased.

Collectivized farming, the Communists argue, is economically superior to the free enterprise system. The reasons they give claim that—

1. Collectivization eliminates property lines and creates larger farm units, permitting the use of machinery and making possible large-scale economies.

2. Improved seeds, fertilizers, supplies, and other requisites for production can be made available when needed.

3. Improved technology and the results of research can be put into widespread use in much shorter time.

4. Collectives can undertake local projects to reclaim land, control floods, build irrigation dams, and do other construction work that the individual could not do alone.

On the surface, this reasoning appears to have some justification. If carried out these measures could help increase agricultural production. But it will be noted that their implementation relies directly or indirectly on the oppressive power of the state to force their adoption. And this fact ties directly to the Communists' true reason for collectivizing agriculture.

Purpose of Collectivization

China collectivized agriculture for political and control purposes. In all important respects, Communist China has followed Russia's example, with only minor deviations to fit Chinese conditions. Both countries destroyed the free enterprise system—a step held necessary as a prerequisite to developing a communistic society.

But on a more practical and working basis, the most important reason for collectivizing was that these organizations, staffed by hand-picked officers loyal to the government in power, are very effective tools for controlling the lives and activities of the peasants. Through these organizations central state directives can be handed down and implemented at the farm level. Also, by this means the state can fully mobilize and direct an enormous labor force.

To understand the importance of such a control apparatus to a centralized totalitarian government which is attempting to plan, guide, and force the adoption of an economic development program from the top, it is necessary to keep the following essential facts in mind:

First, the Chinese Communists place major emphasis on developing industry, especially heavy industry. Industrial development is keyed to agriculture in that the government must draw on the agricultural sector for the raw materials, finance, and foreign exchange required in building an industrial complex. Attention is focused directly on that part of agricultural production which can be siphoned off for use in building industry. And since China has very little that can be spared for this purpose, the problem is to increase production while holding back consumption. Both are difficult. Consequently, there are advantages in having peasants organized to attack this twofold obstacle.

*Second of two articles.

With peasants organized and under control, the government can dictate the type and quantity of crops to be grown, thereby directing resources to uses best suited for industrialization and export. These organizations also provide a ready supply of labor for reclaiming new land, building irrigation dams and channels, intensifying cultivation, and many other tasks that require lavish use of labor.

Furthermore, for a long time the state has rationed consumption. This requires getting custody and control of agricultural products. And because the peasants do not want to sell to the state at the low fixed prices, this has been a major headache for the Chinese authorities. The collective, however, provides a means whereby the state gets first claim on all farm products produced. The hapless peasant becomes only a residual claimant, receiving what is left after the state gets its share at its own price, and after the collectives make their deductions for expenses and capital investments. These funds are counted on for construction and production capital.

Peasant organizations lend themselves to further exploitation. They are required to take the lead in organizing and carrying out such activities as selling government bonds and spreading propaganda. Also, they are useful in adult educational programs where the peasants are indoctrinated with Communist ideology.

Results—and Outlook

What has been the result of pushing peasants into collectives against their will? And what will be the effects on farm production and trade?

It is abundantly clear that the Chinese peasants hate the very idea of collectivization. With an age-old individualistic spirit and a traditional affection for land ownership, peasants could not conceivably welcome a system that takes away everything and gives so very little in return except rosy promises accompanied with more and harder work.

Peasants have accepted collectivization sullenly—even though there has been little organized resistance. They showed their contempt and lack of confidence by such measures as slaughtering their livestock before they were taken away at ridiculously low prices or were confiscated outright. The very few who could have fled to other countries. The hundreds of millions who remain know that if they produce more the state will take more; that it is dangerous to have wealth and safer, if not more comfortable, to be poor.

One of the striking features of Chinese agriculture in the past has been the energetic and painstaking way that the peasant cultivated his small plots of land. This enabled him to obtain fairly good yields despite adverse circumstances. If his efforts had been aided by modern technology, intelligently applied, and if he had been left free to enjoy the fruits of his own labor, production could have been substantially increased.

Reportedly, determined efforts are now being made to improve technology. But the Communists, relying on a greater use of force to release the energies of the people, have made the damaging mistake of killing the individual peasant's initiative and destroying his pride in doing the best job possible. And the results are already being felt in China.

As it is, China today is adopting a system of farming that has failed dismally in every country that has collectivized agriculture. For a country with limited agricultural resources, negligible surplus stocks, and a rapidly growing population of 600 million, this could have the most serious implications. Moreover, floods and drought occur frequently, so with a population already living near the brink of famine, mismanagement of resources might bring about unparalleled disaster.

Regardless, the Chinese Communists are determined to build industry, and they intend to make the peasants pay the bill. If possible, farm products will be sold abroad to earn the needed foreign exchange to carry out the industrialization program, even though it may mean hunger for the producers. And if the government succeeds in building this modern industrial complex, the impact on the peasants' welfare during the period of industrial building will be at most only a secondary concern to the Communists.

Foreign PRODUCTION NEWS

Favorable weather and pasture conditions are aiding *milk* production in *France*—estimated at 45.4 billion pounds this year. France has set a 1961 production goal of 54.5 billion pounds. Over half of France's milk is used for butter and cheese.

***Portugal,* which is among the top 5 *olive oil* producers, expects a 19-percent rise in olive oil output from 1957-crop olives. Olive trees showed the first signs of Dacus fly attacks in September, but unfavorable weather impeded the progress of the pest.**

***Italy* is moving to increase *livestock* production via a "Special Five Year Livestock Program." Initial actions include breeding centers to improve beef cattle, extension work aimed at improving breeding techniques, and artificial insemination centers.**

Ideal growing conditions contributed to *Iran's* near-record dried *apricot* crop—estimated at 22 percent above last year and a third larger than the 1950-54 average. Iran exports nearly all its production.

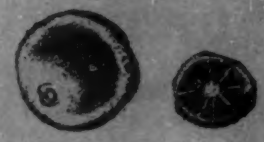
In *Sweden,* the Plant Breeding Institute at Svaloi has successfully developed a new *tobacco* variety of greatly improved flavor. Some tobacco specialists believe the new leaf could make up to 10-15 percent of cigarette blends with no reduction in quality.

A *Netherlands* firm is manufacturing *cheese powder* from Edam and Gouda cheeses. The powder is reported to keep for about a year, and is available in several sizes and types of packages.

***Canada* had a record carryover of the four major *grains* (wheat, oats, barley, and rye) this year—30 percent more than last year and 140 percent above the 1947-56 average.**

***Tunisia's* 1957-58 *olive oil* production is forecast at about 50,000 metric tons—40,000 tons under 1956-57.**

Foreign Competition In Citrus



U.S. citrus fruits meet very little competition in our largest export market, Canada. But in Western Europe, our second largest outlet, U.S. citrus must compete with fruit from the nearby Mediterranean area as well as from Brazil and South Africa.

The level of production in the Mediterranean countries—particularly in Spain—shapes the potential market in Europe for U.S. citrus. For example, after the 1956 freeze in Spain, crops were reduced sufficiently there to more than offset production increases in North Africa and the eastern Mediterranean citrus areas. Consequently, during the winter months of 1956-57, U.S. citrus exports to European markets increased substantially.

U.S. ORANGE EXPORTS TO EUROPE

Nov.-Feb.	1,000 boxes
1954-55	783
1955-56	167
1956-57	1,297

In normal years, however, U.S. citrus faces severe competition in Europe. How extensive this is can only be gaged by looking over the radical changes that have been taking place in the world citrus situation.

Production.—Citrus production is expanding all over the world. Total world production is more than 50 percent larger than what it was prewar, U.S. production has almost doubled, and foreign production has gone up 55 percent. Of the world's orange and tangerine crop, the U.S. share totals about 40 percent. The Mediterranean area is next, with about 30 percent of world production. The United States produces practically all of the world's grapefruit; and the United States and the Mediterranean, about equal in lemon production, supply more than 85 percent of the world's total.

In the years ahead production will be even greater. Plantings continue in every important citrus-growing area. Barring major setbacks, world orange production should increase at least another 25 percent by 1965, and in the Mediterranean area the crop increase should run as high as 50 percent. World grapefruit and lemon production will probably be about a third larger. Italy, which is the United States' main competitor in lemons, is gradually increasing its output.

Consumption.—World citrus consumption has been mounting too. North America and Western Europe are the two largest citrus-consuming areas, and in both the increase in per capita consumption is impressive. Before the war, the United States was consuming about 42 pounds of citrus per person a year. Today this figure has risen to around 87 pounds. Canada has shown a similar rise and is now consuming 64 pounds per person. Western Europe's consumption averages about 30 pounds, or half again larger than prewar; the only exception is the United Kingdom, which has not shown an increase.

Trade.—Among the important citrus areas, export figures show a wide variation. Over two-thirds of the Spanish, Israeli, and North African citrus crop is sold abroad. But the United States, with its big domestic market, exports less than 10 percent of its total crop. Though this proportion has remained fairly constant, the United States exported 13.8 million boxes of citrus in 1955-56, compared with 6.8 million before the war.

The United States is the only major citrus country providing commercial supplies of citrus fruit every month in the year. California and Arizona ship citrus all year round, the Gulf Coast from late fall through the following

CITRUS FRUIT: WORLD PRODUCTION BY AREAS

Commodity and area	Average 1935-39	Average 1949-53	1954	1955	1956
Oranges and tangerines:	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*
Mediterranean	59.9	92.5	106.0	101.1	96.6
Southern Hemisphere	53.7	62.0	65.2	66.6	69.7
Other foreign	24.3	34.5	45.2	42.8	48.6
Total foreign	137.9	189.0	216.4	210.5	214.9
United States	67.0	121.7	135.7	137.0	136.7
World total	204.9	310.7	352.1	347.5	351.6
U.S. % of world	32.7	39.2	38.5	39.4	38.5
Grapefruit:					
Mediterranean	1.5	1.6	1.9	2.0	2.0
Southern Hemisphere	.4	.9	1.0	1.1	1.1
Other foreign	1.2	1.6	1.9	1.7	1.6
Total foreign	3.1	4.1	4.8	4.8	4.7
United States	31.8	42.1	42.2	45.4	44.5
World total	34.9	46.2	47.0	50.2	49.2
U.S. % of world	91.1	91.1	89.8	90.4	90.4
Lemons:					
Mediterranean	12.4	12.9	13.9	13.8	16.0
Southern Hemisphere	1.2	3.3	3.8	4.3	4.4
Total foreign	13.6	16.2	17.7	18.1	20.4
United States	9.6	13.3	14.0	13.2	15.5
World total	23.2	29.5	31.7	31.3	35.9
U.S. % of world	41.4	45.1	44.2	42.2	43.2

spring. U.S. shipments to European markets are usually heaviest between April and August—after marketing of most Mediterranean fruit and before heavy marketing of Southern Hemisphere fruit, principally South African.

Probably the greatest change that has occurred in citrus marketing has resulted from the processing of citrus juice. As citrus production increased in the United States so did processing, first in the form of single-strength juice and more recently, in frozen concentrate. This has absorbed the increased supplies within the United States. Here less citrus fruit is now marketed in fresh form than before the war.

Outlook.—Western Europe is mainly a table orange market, so that the outlet does not favor the juice varieties predominating in Gulf Coast output. In addition, Mediterranean growers enjoy a freight advantage. Thus it is only in years when the Mediterranean crop is relatively light that orange growers on the U.S. Gulf Coast can count on large shipments to Europe.

The picture is different for California and Arizona oranges. They are available in the summer after the Mediterranean crop has been sold. They compare favorably with competitive fruit. And since South Africa and Brazil together cannot supply the European demand, there should always be a seasonal market for our summer oranges.

The United States will probably maintain its position in the European grapefruit markets, as a very high percentage of the world's production is in this country. U.S. grapefruit, however, is meeting increasing competition from other areas, particularly Israel, which is striving to build up bigger markets in Europe. At the present time this is a restricted market, since Europeans do not consume very large amounts of grapefruit. Even a small increase in per capita consumption could materially increase the potential market in this area.

California lemons, exported to Europe principally in the summer, have our most dependable citrus market. Our lemons usually sell at premiums over all competition, and there is no reason to expect any change.

U.S. processed citrus products, competitive in price and quality, should increase their share of the world's market, as the demand for soft drinks and other bottled citrus products increases. This is particularly true of concentrated juices which are used as the base for many of these drinks. The major competition in this field comes from Spain and Italy, where juices are preserved with sulfur dioxide and sold in bulk containers. As refrigeration becomes more universally available in Europe, the market for frozen concentrated juices will increase; this, however, will be a long-term development.

CITRUS FRUIT: U.S. EXPORTS BY COUNTRY OF DESTINATION[1]

Commodity and destination	Average 1934-38	Average 1949-53	1954-55	1955-56	1956-57[2]
Oranges:	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*
Europe	2.1	2.3	2.9	4.3	3.4
Canada	2.8	4.4	4.8	4.7	3.9
Other countries	.3	.7	.7	.8	.7
Total	5.2	7.4	8.4	9.8	8.0
% U.S. production	8.0	6.1	6.2	7.2	—
Lemons:					
Europe	.2	.2	1.2	1.3	1.0
Canada	.3	.3	.4	.4	.4
Other countries	.1	.1	.1	.1	.2
Total	.6	.6	1.7	1.8	1.6
% U.S. production	6.5	4.5	12.1	13.6	—
Grapefruit:					
Europe	.3	.2	.4	.6	.6
Canada	.6	1.4	1.5	1.6	1.6
Other countries	.1	—	—	—	—
Total	1.0	1.6	1.9	2.2	2.2
% U.S. production	3.4	3.8	4.5	4.8	4.9

[1]Marketing season, oranges and lemons, November-October; grapefruit, September-August.
[2]Figures through August 1957.

WORLD Agricultural Summaries

Almonds. World almond production—estimated at 115,300 short tons (shelled basis)—is expected to reach record proportions in 1957. Spain expects a 30,000-ton crop, 10,000 tons above 1956. Italy's forecast of a 45,000-ton harvest is nearly 4 times as much as 1956 production. Half of Italy's production will come from the Island of Sicily. Iran and Portugal both expect larger crops than in 1956. The United States, however, expects decreased production this year—23,000 tons compared with 30,000 tons in 1956.

Wool. World output of wool for 1957 is estimated at 5,095 million pounds (greasy basis). This estimate is slightly less than 2 percent above 1956 production and the tenth consecutive year of increase. This year has seen larger clips in Australia, Argentina, the Union of South Africa, Mexico, France, Mainland China, and New Zealand.

Coffee. Production of green coffee for 1957 is estimated at 50.5 million bags—an increase of more than 4 million bags over 1956. Most of the increase is in Brazil.

Bread Grains. A near record bread grain crop is forecast for 1957-58. The wheat and rye crops are expected to total only 2 percent less than last year's record. The reduction is in wheat. Rye production will be up slightly, despite a minor reduction in acreage.

Filberts. The 1957 filbert crop—estimated at 119,300 short tons (in shell basis)—will be 40 percent less than the record 1956 harvest, but close to the 1950-54 average. Turkish production dropped sharply this year to about 25 percent below the 5-year average. The United States and Spain had bumper crops and Italy had a good average harvest.

European Countries Act To Ease Fruit Shortage

Several European countries have taken action to combat fruit shortages and high fruit prices this season. Adverse weather conditions in Western Europe have sharply reduced the 1957 apple and pear crop. Every producing country reports a sharp crop reduction—except Spain, which is down only slightly.

- In West Germany the League of Consumer Associations appealed to the government to cut or, if necessary, abolish import duties on fresh fruit until prices become more "normal." The League felt that liberalization of imports was not enough. Fruit prices were reported to be double those of last year. The Legislature has approved the reduction or elimination of customs duties on a wide variety of fresh fruits through December 1957.

The West German Government has also acted via a series of import announcements:

The first will permit table apples and pears to be freely imported from a number of countries—including the United States — through December 1957. No money or tonnage limits were announced.

A second, to permit imports from the dollar-area of apple, pear, and vegetable juices, and fruit and vegetable-juice mixtures carries a customs clearance deadline of December 31, 1957. A separate announcement, global in nature, covers canned fruit. This will be in effect through January 31, 1958.

- The Swiss Government has abolished the import duty on apples and pears for processing. At the same time the duty on stone fruits was lowered from 35 francs per 220 pounds of fruit to 5 francs. Switzerland will also allow unlimited imports of apples this year.
- The Netherlands has lifted import restrictions on U.S. apples and pears for a limited time during the fall season.
- Sweden has been permitting pears to be imported freely since October 12. Last year the free listing date was November 29.

Another Near-Record Year Due for U. S. Farm Exports

U.S. agricultural exports during the fiscal year ending June 30, 1958, will not be as high as last year's record total of $4.7 billion. But they will probably rank second or third highest in history—about $4 billion. This prospect for another good year was presented at the 35th National Agricultural Outlook Conference held in Washington, D. C., in November.

The prospective drop in total exports this year is coming about mainly because of three commodities—cotton, wheat, and rice. Last year, exports of each were unusually high. Wheat and rice exports set new records, and cotton exports were highest in a quarter of a century. Although exports of each are expected to be smaller this year, they will exceed the postwar average.

For cotton a new export program had delayed some exports from the previous year so that they showed up in last year's record total. This year's exports will not be boosted by any such deferred demand; in fact foreign stocks may decline some. For wheat, Europe was a better market last year because of its own poor crop; this year its crop is good and need for wheat imports will be less. For rice, a large part of the accumulated surplus moved into export last year under special government export programs; this year's export supplies will be smaller.

An important factor in the export outlook is the financial position of countries that buy farm products through commercial channels for dollars. Some important U.S. customers suffered declines in their liquid assets last year and efforts to rebuild their gold and dollar holdings may tend to hinder U.S. exports sold for dollars. A number of dollar-short countries depend largely on U.S. Government export programs to finance their imports from the United States. About two-fifths of the total value of farm exports in the past 2 years moved under three of these programs: Sales for foreign currencies, grants, and barter. In 1957-58, exports under such programs again will be important, especially for wheat, feed grains, cotton, vegetable oils, and dairy products. Exports under barter transactions are expected to drop sharply, but there should be some corresponding shift to dollar sales. CCC sales at competitive world prices will assist both dollar and nondollar exports.

Weather is another factor that always affects exports. It was favorable weather that gave Europe its good wheat crop this year, which means less need to import wheat. On the other hand, drought has reduced the exportable wheat crop in Australia and Canada. U.S. exports of feed grains are expected to rise because of poor weather and poor crops in Central America and on the West Coast of South America; also the greater number of livestock in many countries is increasing demand for feed.

In appraising exports, just as in appraising domestic demand, there are the plus factors of expanding economic activity and expanding populations. These factors tend both to expand markets and to reduce competition. Another factor to consider is the international political situation. Continuing political uncertainty is reflected mostly in a desire of importing nations to maintain—within their financial ability—substantial stocks.

The efforts to reduce foreign trade restrictions under the trade agreement program and the foreign market development work now being done in behalf of American farm products, have favorable immediate and long-range effects on the level of U.S. exports.

Outlook for exports by commodities:

Cotton, 5 million to 6 million bales; *tobacco*, 460 million pounds; *wheat and wheat flour*, 400 million bushels; *rice*, 13 million bags; *feed grain*, 8.5 million tons. *Soybean oil, cottonseed oil*, and *lard* exports are expected to drop and those of *soybeans* to go up. *Meat* exports are expected to drop also. Increases appear likely for *fruits* and *vegetables, hides* and *skins, breeding cattle*, and *dairy products*.

My First Safari

(Continued from page 11)

mestic export crops are coconut oil, copra, and coconut cake. Cassava, rice, bananas, and plantains are the leading food crops, plus moderate quantities of sweetpotatoes, yams, beans, peas, corn, and citrus.

- During the war when imports of rice and other foods were unobtainable, a large degree of self-sufficiency in food crops was achieved. However, Zanzibar has not been self-sufficient in all foods for a number of years, and it is unlikely that it will ever be, so long as most of the best land is planted to the two important cash export crops—cloves and coconuts.
- Zanzibar's balance of trade is usually favorable, with exports exceeding imports. But Zanzibar's export trade needs diversification, being largely dependent on two markets—Indonesia and India, which buy approximately three-quarters of the territory's cloves. The United Kingdom supplies most of Zanzibar's imports. The United States buys around 6 percent of Zanzibar's exports—mainly clove stem oil. U.S. exports to Zanzibar are negligible.

Tanga Province

From Zanzibar I flew back to Tanganyika, to the northeast Province of Tanga. Here I was amazed at the high degree of specialization that has developed from the most primitive African agriculture. Tea culture on the high slopes of the Usambaras Mountains represents a vast outlay of capital. Dense forests had to be cleared, tea seedlings planted, and buildings erected to house the expensive machinery for processing the tea leaves.

Sisal growing is even more impressive. Some 300,000 acres are devoted to sisal, and approximately 60,000 persons employed. At the Mwera Sisal Estate I not only made a study of how sisal is grown, but I learned of the early trials of the European settlers who came to Tanganyika 30 years ago to set up their own estates. Most of them lived in grass and mud huts, miles within the forest. Elephants often tore the roof off their huts; and in the 1930's times were so hard that these settlers sometimes lived on the food brought to them by their African servants.

I also visited the 123,000-acre Mkwaja cattle ranch. Here the Ammans are making a good start in caring for a herd of 8,000 native cattle. They have the usual problems of rinderpest, East Coast fever, foot-and-mouth disease, and other cattle diseases; furthermore, they suffer losses from lions, leopards, and wild dogs.

The native African handles most of the livestock. The nomadic Kwavi have vast herds and flocks, and in one district alone the Masai tribe owns 32,600 head of cattle and 34,600 head of sheep and goats. The whole system of handling native cattle is indeed full of difficulty. The animals are brought into primary markets where they are sold to dealers and started on their way to secondary markets, hundreds of miles away. They are herded at the rate of 12 to 15 miles a day. At the cattle market in Korogwe good cattle were bringing $45 per head and young stock $13-$20. An animal is considered mature and ready for market at about 5 years.

Our next visit was to the Wasamba tribe in the Usambaras Mountains. They are a friendly people with some ambition. History states that they were driven into these mountainous parts to escape a neighboring warlike tribe. Here they found safety, cool weather, and beautiful scenery. From the topography I could think of few places in the world that would be more difficult to farm. Yet on these steep hillsides fine vegetables and even such fruits as peaches, apples, and pears are produced.

Other stories lie in the development of the cacao plantations, the extension of the coffee-producing areas, the coconut industry of the coast, and the kapok estate near Mombo. Here on these big plantations are Africans and Europeans working together. The African is trying to achieve education and advancement, the European is working to put his knowledge and ability to profitable use in a new country. One can only hazard a guess as to what the years ahead will bring to those interested in building up a peaceful and prosperous nation.

Coffee Countries Move To Stabilize Prices

With coffee prices reaching their lowest levels since 1950, the seven leading Latin American coffee-producing countries on October 18 signed an agreement to withhold stocks in an effort to stabilize the market. Within 2 weeks after the agreement was signed, the coffee market had strengthened and prices had started to move upward.

Under the agreement, Brazil will withhold a quantity equivalent to 20 percent of its coffee exports for the period Oct. 1, 1957-June 30, 1958. The six other countries—Colombia, Costa Rica, El Salvador, Guatemala, Mexico, and Nicaragua—will limit their exports to approximately 80 percent of their average shipments for the 5-month period, November-March, of the previous 2 years. In addition, the six countries agree to retain a reserve equivalent to 10 percent of the quantity exported. Brazil has also agreed to maintain its established policy of minimum prices and of buying in the internal market when necessary.

The agreement followed a 9-month period of declining prices in the coffee market. In January of this year, Colombian green coffee was selling from 71 to 73 cents a pound, spot New York basis, while Brazil's Santos 4's, spot New York basis, was bringing 60 cents. By October, Colombian coffee had dropped to less than 55 cents and Brazilian, to 53 cents.

The recent low prices are the direct result of production expanding beyond consumption. Production for the 1957-58 marketing season is now estimated at 42 million bags, or 6.5 million bags above the 1956-57 estimate. Most of the increase occurs in Brazil, where exportable production for 1957-58 is estimated at 18 million bags.

Coffee earnings have special significance in relation to U.S. exports. As the chief foreign exchange earner for these coffee-producing countries, coffee brings in anywhere from 52 to 82 percent of the foreign currency earned. And with this money these countries buy over 20 percent of all U.S. exports each year. The U.S. farmer's share amounts to over $400 million annually.

TRADING POST

Costa Rica, Nicaragua Hit by Drought

Drought has hit most of Nicaragua's farm belt. Many crops—notably corn, beans, rice, and cotton—have suffered seriously. The 1957-58 cotton harvest is estimated at 25 percent below last year. Below-normal yields of rice are also predicted and much of the first corn crop was harvested as fodder. Pastures are adequately sustaining livestock, however, and about 80 percent of normal annual bean production is derived from the recently planted second crop.

Costa Rica will probably have to import corn and rice as a result of the drought. As yet no losses in the cotton crop have been reported but harvesting was delayed about a month.

Ecuador Ships Coffee From Santo Domingo

Ecuador made its first coffee shipment from Santo Domingo this fall—signifying that the Santo Domingo region is coming into production. This region is expected to be an important producer of high grade mild coffee within a few years. The subsequent revenues would benefit Ecuador's foreign exchange position.

Australia Buying More U.S. Cotton

Australia's purchases of U.S. cotton rose sharply in 1956-57 to 67,000 bales (500 pounds gross)—more than twice the imports from the United States the previous year. The U.S. share of the Australian cotton market increased from 40 percent in 1955-56 to 72 percent in 1956-57. Brazil and Peru also increased cotton sales to Australia this season, but imports from Mexico, Pakistan, and India—Australia's other major sources—decreased.

Greece Sets Currant Supports

Greece has set a "security price" equivalent to 9.0 cents per pound on 1957-crop Amalias dried currants—0.4 cents per pound less than last year's security price.

Lowering the price was considered necessary to meet competition and facilitate sales of Greek currants in the international market. The Greek Government will provide ASO (Autonomous Currant Organization) with the financial means necessary to purchase at the security price all grapes offered.

India Looks to Russia For More Cashew Sales

India has had limited success in its efforts to diversify its cashew kernel export trade. The Soviet-bloc countries—principally Russia—are expected to take a total of about 100,000 cases by the end of 1957. This is three times as much as in 1956, but only a small percentage of India's exports. The United States continues to be the major customer—taking over a million cases of India's foreign sales this year.

South Africans Kill Fewer Cattle

Cattle slaughter in the Union of South Africa was 11 percent lower in the first 6 months of 1957 than in the same period of 1956. Most of the decline was attributed to reduced imports. South Africa bought 95,280 head of cattle abroad in the first half of 1957—17,990 less than the previous year.

The hog kill was also less, but sheep slaughter rose slightly. A serious outbreak of foot-and-mouth disease is expected to result in a shortage of beef and pork by the end of the year.

Argentina Acts To Aid Its Dairy Industry

Argentina has lowered the aforo price on casein in an effort to aid the dairy industry. (The aforo is the part of the export price that the exporter must convert to local currency at the official rate of exchange.) The casein aforo has been cut from 13.0 cents per pound to 6.5 cents. This allows exporters to convert an additional 6.5 cents per pound of their export price at the free rate (43.4 pesos per dollar) rather than the official rate (18.0 pesos per dollar).

British Purchasing More Goods Via Self-Service

Self-service stores are increasing in Great Britain. In the past decade the number has risen from 250 to nearly 4,000. New stores are being opened at a rate of at least 55 a month. About 10 percent of total retail grocery sales are now moved through self-service stores. Eighteen percent of the self-service units carry meat.

The chains have led the way to self-service. Independents, who own 90 percent of the retail grocery outlets, operate less than 14 percent of the self-service shops. Most new units are supermarkets.

U.S. Cattle Exports Two-Thirds Beef Types

Two out of three head of breeding cattle exported from the United States in the first half of 1957 were beef breeds. U.S. Department of Agricultural inspections of all breeding cattle for export totaled 32,184 head—25,059 of these were beef types. The most popular beef breeds shipped abroad were Herefords (11,023). Others were Braham (5,195), Santa Gertrudis (2,699), Aberdeen Angus (1,122), and Brangus (548).

Mexico was by far the leading market for U.S. beef breeding cattle, taking 18,261 head—73 percent of the total inspected; Canada, Venezuela, and Cuba together accounted for 5,340 head; and 21 other countries received small shipments. Most of these lesser breeding cattle markets also were in Latin America.

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Australia's Grain Crop Damaged by Drought

Australia's continued drought has caused serious damage to grain crops. Forecasts now place the total wheat crop at less than 100 million bushels —the smallest harvest since 1944. The feed situation is drastically affected by burned-out pastures and sharply reduced prospects for feed grains.

The Eastern States have been hardest hit. Grain crops there are being heavily grazed and are expected to yield little grain. Increased numbers of livestock have eaten above-average quantities of grain because of reduced availability of pastures. Consequently feed grain stocks are also low. Growers are utilizing large parts of the drought-damaged grain acreage for grazing because of heavy demands for feed.

New South Wales—normally the leading wheat producing area—is most seriously affected. Little or no grain from this area is expected to enter commercial channels. Although prospects for Western Australia are more favorable, production will be considerably below average.

Total Australian wheat supplies for 1958 will be very small because of small carrying stocks as well as the below normal crops. Domestic wheat requirements will be greatly increased because of a shortage of feed grains and forage. Adequate rains could bring about quick recovery of pastures and reduce somewhat the expected large demand for wheat for feeding livestock. Even if this occurs, however, export availabilities will be sharply curtailed during the coming season. This limitation of exportable wheat supplies will probably result in larger exports of grain from North America.

Sweden Expects To Be Net Importer of Wheat

Sweden is expected to be a net importer of wheat this year.

Exceptionally heavy and prolonged rains this fall caused considerable deterioration of the grain crop. Tentative estimates show that nearly a third of the bread grain crop may be unfit for human consumption and the feeding value of the coarse grain crop may be reduced by one-fourth. In the past 4 years Swedish net exports of wheat averaged over 7 million bushels annually. West Germany was the largest customer.

Egypt and France Trade Cotton and Wheat

Egypt and France recently completed a trade deal wherein private firms exchanged Egyptian cotton for French wheat and other goods contracted for prior to the Suez crisis. This made about $34 million worth of Egyptian cotton available to the French textile industry. The cotton has already been shipped.

Costa Rica Plans Soluble Coffee Plants

Two local San Jose groups are planning soluble coffee plants in Costa Rica. One of the proposed companies is mainly interested in selling soluble coffee to the United States and hopes to produce about 20,000 pounds a day. The other group hopes to produce about 660,000 pounds per year for domestic consumption. The group estimates that this would amount to about 70 percent of present annual rate of local consumption in terms of cups of coffee.

It takes less coffee in bean form to make soluble coffee so, if soluble coffee were to replace ground coffee for domestic consumption, a substantial amount of coffee beans would be released for export.

Foreign Agriculture regrets an error in one of its October articles, "Foreign Customers Have Fewer Dollars." In the table on the U.S. balance of payments, the column heading January-June 1957 should be January-March.